Form 3160-5 (August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT**

NMOCD Artesia

FORM APPROVED OMB NO. 1004-0135 Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS

NMNM0429170

5. Lease Serial No.

| abandoned well. Use form 3160-3 (APD) for such proposals. | | | | 6. If Indian, Allottee or Tribe Name | | |
|---|--|---|--|---|---------------------|--|
| SUBMIT IN TRIPLICATE - Other instructions on reverse side. | | | | 7. If Unit or CA/Agreement, Name and/or No. | | |
| Type of Well ☐ Gas Well ☐ Other | | | | 8. Well Name and No. SOLUTION FEDERAL COM 3H | | |
| 2. Name of Operator Contact: BRIAN MAIORINO COG OPERATING LLC E-Mail: bmaiorino@concho.com | | | | 9. API Well No. 30-015-43227-00-S1 | | |
| 3a. Address 600 W ILLINOIS AVENUE MIDLAND, TX 79701 | b. Phone No. (include area e Ph: 432-221-0467 | | 10. Field and Pool, or Exploratory PARKWAY | | | |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) | | | 11. Co | 11. County or Parish, and State | | |
| Sec 5 T20S R30E Lot 3 190FNL 2250FWL | | | | EDDY COUNTY, NM | | |
| 12. CHECK APPR | ROPRIATE BOX(ES) TO I | NDICATE NATURE C | F NOTICE, REPORT | , OR OTHER | R DATA | |
| TYPE OF SUBMISSION | TYPE OF ACTION | | | | | |
| Notice of Intent | □ Acidize | □ Deepen | □ Production (Sta | rt/Resume) | ■ Water Shut-Off | |
| | □ Alter Casing | ☐ Fracture Treat | ☐ Reclamation | ☐ Reclamation | | |
| ☐ Subsequent Report | □ Casing Repair | ■ New Construction | ☐ Recomplete | • | Other | |
| ☐ Final Abandonment Notice | ☐ Change Plans | Plug and Abandon | □ Temporarily Al | ☐ Temporarily Abandon | | |
| | ☐ Convert to Injection | Plug Back | ■ Water Disposal | | | |
| # of wells to flare:1 Solution Federal Com #3H, 30 From 1/28/16 to 4/27/16 bbls oil/day: 450 mcf/day: 500 Reason: waiting on gas line co | 3-015-43227 | 4 - 0 4 1 | | ARTESIA D | 2016 | |
| 14. I hereby certify that the foregoing is Com Name (Printed/Typed) BRIAN MA | Electronic Submission #329 For COG OPE mitted to AFMSS for process | RATING LLC, sent to the ing by PRISCILLA PERE | Carlsbad | 279SE) | | |
| | - | | | | | |
| Signature (Electronic Submission) | | | 6/2016 | | | |
| ACCEPTED FO | THIS SPACE FOR | FEDERAL OR STAT | E OFFICE USE | | | |
| Approved B S DAVID Conditions of approval, if any, are attached certify that the applicant holds legal or equivalent would entitle the applicant popping. Title 18 U.S.C. Section 1991 and Fille 43.4 | oject lease Office | and willfully to make to any | department or a | Date | | |
| Title 18 U.S.C. Section 1991 and Title 43 L States any false, fict thous or transmitted | talenthis Graphresentations as to a | ny matter within its jurisdicti | on. | acparation of a | gency of the Office | |

BUREAU OF LAND MANAGEMENT Carlsbad Field Office 620 East Greene Street Carlsbad, New Mexico 88220 575-234-5972

COG Operating LLC Solution Federal Com 3H Federal Lease NM-0429170

Approved 03-01-2016

This field office has evaluated the attached Notice of Intent as a request for flaring/venting beyond NTL-4A allowable thresholds (reasons, timeframes and volumes), and has determined the following Conditions of Approval apply.

Condition of Approval to Flare Gas

- 1. Comply with NTL-4A requirements
- 2. Subject to like approval from NMOCD
- 3. Flared volumes are considered "avoidably lost" and will require payment of royalties. Volumes shall be reported on OGOR "B" reports as disposition code "08
- 4. "Avoidably lost" flare volumes shall be metered due to their royalty bearing status. Install gas meter on vent/flare line to measure gas prior to venting/flaring operations if it is not equipped as such at this time.
- 5. Vent/flare gas metering to meet all requirements for a sales meter as per Federal Regulations, Onshore Order #5 and NTL 2008-01. Include meter serial number on sundry (form 3160-5).
- 6. This approval does not authorize any additional surface disturbance.
- 7. An updated facility diagram is required within 60 days of modifications to existing facilities per Onshore Order #3.
- 8. Approval not to exceed 90 days, (from <u>01-28-2016</u> to <u>04-27-2016</u>), if flaring is still required past 90 days submit new request for approval.
- 9. Submit Subsequent Report with actual volumes of gas flared for each month gas is flared on a sundry form 3160-5.

Definition: As per **NTL-4A II. A.** "Avoidably lost" production shall mean the venting or flaring of produced gas without the prior authorization, approval, ratification, or acceptance of the Supervisor and the loss of produced oil or gas when the Supervisor determines that such loss occurred as a result of (1) negligence on the part of the lessee or operator, or (2) the failure of the lessee or operator to take all reasonable measures to prevent and/or to control the loss, or (3) the failure of the lessee or operator to comply fully with the applicable lease terms and regulations, appropriate provisions of the approved operating plan, or the prior written orders of the Supervisor, or (4) and combination of the foregoing.

43CFR3162.7-1 (a) The operator shall put into marketable condition, if economically feasible, all oil, other hydrocarbons, gas and sulphur produced from the leased land.

43CFR3162.1 (a) The operating rights owner or operator, as appropriate, shall comply with applicable laws and regulations; with the lease terms, Onshore Oil and Gas Orders, NTL's; and with other orders and instructions of the authorized officer. These include, but are not limited to, conducting all operations in a manner which ensures the proper handling, measurement, disposition, and site security of leasehold production; which protects other natural resources and environmental quality; which protects life and property; and which results in maximum ultimate economic recovery of oil and gas with minimum waste and with minimum adverse effect on ultimate recovery of other mineral resources.